

ADCB Reports Profits of AED 2.085 Billion, Down 3% from 2006

Cash Dividend of AED 1.2 billion, representing 30% of the capital (58% of the profit)

ADCB today announced a net profit of AED 2.085 billion for the year ended December 31, 2007, against AED 2.147 billion for 2006.

The total revenues of ADCB for 2007 were AED 3.5 billion, an increase of 37% over the corresponding period in 2006. Eirvin Knox, Chief Executive Officer of ADCB, stated that “the substantial increase in revenues demonstrates ADCB’s ongoing earnings capacity and reflects high growth across major business segments; corporate, retail and wealth management.

As reported in the third quarter financial results, ADCB continued to be prudent in taking extra measures towards the investments made in the international capital markets, which has been unsettled in the recent months. The bank allocated a general provision of AED 560 million out of its 2007 accounts to ensure maintaining a healthy and leading position during 2008. Eirvin Knox, Chief Executive of ADCB, stated that “many banks globally have been affected by the events in the capital markets in the second half of 2007 and we believe that we have been prudent in addressing this in our 2007 accounts and we expect limited impact in the future.” Saeed Al Hajeri, Chairman of ADCB, added that “despite the affect of extra provisions on the year end results, the bank’s results still reflects impressive growth in revenues and core profits, which provides confidence for 2008 and beyond.”

Deposits increased AED 13 billion or 30% to AED 56.4 billion, the highest growth among UAE banks while loans grew AED 13.3 billion or 22% to AED 75.7 billion. The liquidity ratio improved to 20.6% from 15% a year earlier. The large growth in deposits, positions ADCB for substantial loan growth in 2008. In addition, although costs rose 34%, the cost to income ratio remained at a low level compared to peers and international standards at 29%. “The increase in costs reflects continued investment in human resources and technology to support business growth and inflationary pressures in the UAE,” stated Saeed Al Hajeri, ADCB Chairman.

The non-performing loans of ADCB were AED 1.06 billion at year end 2007, substantially lower than 2006 and just 1.38% of total loans. The provision coverage ratio for non-performing loans has reached 107%, continuing the substantially improving trends of recent years. This was achieved by pro-active risk management and close co-operation with the Bank’s clients.

The Board of ADCB has recommended maintaining the cash dividend of ADCB at the same level of last year at AED 1.2 billion, representing 30% of the capital (58% of the profit) which reflects the Board’s confidence in the ongoing success of ADCB. “Subject to shareholders’ approval at the forthcoming AGM”

Following the approval of Central Bank to establish an Islamic Banking Division, ADCB announced in late 2007, the intention to acquire a 25% stake in RHB

Capital in Malaysia for approximately \$1.2 billion from the Government of Malaysia's Employees Provident Fund. RHB is the 4th largest banking group in Malaysia and has banking operations in Singapore, Thailand and Brunei. It has strong brand recognition in Malaysia and is a leader in retail banking with 280 branches, investment banking and its Islamic subsidiary is the 6th largest Islamic bank in Asia. Saeed Al Hajeri stated that "this investment is part of the long term strategy of ADCB to expand outside the GCC region and we see huge potential for synergies between RHB and ADCB".

ADCB is the shaper of this acquisition, which reflects the long term strategic plan of its Board and management. In addition, it clearly demonstrates the support of the regulators for the potential growth in Islamic Banking industry.

About ADCB:

Abu Dhabi Commercial Bank – ADCB is a diversified full service bank. Other than banking services that span corporate, retail and commercial banking ADCB is active in the areas of treasury derivatives, infrastructure finance, private banking and wealth management.

Our approach is driven by the ability to create value for our customers by leveraging our skills and expertise. Amongst UAE banks, ADCB enjoys one of the largest deposit base with total assets as at 31/12/2007 of AED 106.2 billion and net profit of AED 2.085 million in 2007.

Our strong franchise, supported by a network of 43 branches in UAE and 2 branches in India is reflected in our recent rating of Aa3, which is the highest awarded to a bank instrument in the Middle East.

The Government of Abu Dhabi, through Abu Dhabi Investment Council (ADIC), holds 65% of the capital while the rest is held by various UAE Institutions and Nationals. ADCB's market capitalization as of 31/12/2007 was AED 25.7 Billion (US\$7Billion).